UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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DOUBLE D-IMPORT SAS, and
DOUBLE D-IMPORT SAS, derivatively as a member of and on behalf of, ACS Gear USA Ltd.,

Plaintiffs,

- against –

AJMAL CHEEMA, WAHEED AKHTAR, NAVEED AKHTAR, and JOHN AND JANE DOES 1-10, such names being false and fictitious as the true names of these defendants are unknown at this time,

Defendants,

-and-

ACS GEAR USA Ltd.,

Nominal Corporate Defendant.

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**VERIFIED COMPLAINT**

Case No.: 17-1414

**Jury Trial Demanded**

Plaintiff Double D-Import SAS and Plaintiff Double D-Import SAS, derivatively as a member of and on behalf of, ACS Gear USA Ltd., by and through their attorneys, LEVITT LLP, as and for their Verified Complaint against Defendant Ajmal Cheema, Defendant Waheed Akhtar and Defendant Naveed Akhtar, respectfully allege as follows:

## PARTIES

1. At all times hereinafter mentioned, Plaintiff Double D-Import SAS ("Double D" or "Plaintiff") and Plaintiff Double D-Import SAS, derivatively as a member of and on behalf of, ACS Gear USA Ltd. (sometimes hereinafter collectively referred to as "Plaintiffs") was, and still is, a foreign corporation organized and existing under and by virtue of the laws of France, with its

principal place of business at 2, Rue Vladimir Jankelevitch, Émerainville, France 77436 Marne La valee Cedex, France.

2. Double D is the Global Licensee of Adidas AG ("Adidas") combat sports categories currently distributing through distributors in ninety-six (96) countries including the United States of America ("U.S.A.").

3. At all times hereinafter mentioned, Nominal Corporate Defendant ACS Gear USA Ltd. ("ACS") was, and still is, a domestic business corporation, organized and existing under and by virtue of the laws of the State of New York, conducting business in New York, with its principal place of business located at 3800 West Oceanside Road, Oceanside New York 11572, in the County of Nassau, State of New York.

4. ACS is the official distributor of Adidas combat sports products for Boxing, Muay Thai, Kick Boxing, Mixed Martial Arts (MMA), Brazilian Jiu Jitsu (BJJ), Judo and Karate.

5. Upon information and belief, and at all times hereinafter mentioned, Defendant Ajmal Cheema ("Cheema") is a citizen of Pakistan, residing at Capital Road, Sialkot, Pakistan.

6. Upon information and belief, and at all times hereinafter mentioned, Defendant Waheed Akhtar ("W. Akhtar") is a citizen of Pakistan, residing at 50 Indus Block, Green Forts II, Lahore, Pakistan.

7. Upon information and belief, and at all times hereinafter mentioned, Defendant Naveed Akhtar ("N. Akhtar") is a citizen of Pakistan, residing at 60/1 Tufail Road, Sialkot Cantt, Pakistan.

8. Upon information and belief, and at all times hereinafter mentioned, Defendants John and Jane Does 1-10 are false and fictitious names of people who, it is believed, participated

in the wrongful acts alleged in this Verified Complaint, and whose names will be discovered and identified through the course of this action.

9. Cheema, W. Akhtar, N. Akhtar, and John and Jane Does 1-10 are sometimes hereinafter collectively referred to as "Defendants."

**JURISDICTION AND VENUE**

10. This Court has subject matter jurisdiction because Plaintiffs' Verified Complaint includes a cause of action for violation of the Lanham Act under 15 U.S.C. § 1125, and, as such, constitutes a federal question under 28 U.S.C. § 1331.

11. This Court has subject matter jurisdiction, pursuant to 28 U.S.C. § 1332(a)(1), because there is complete diversity of citizenship between Plaintiffs and Defendants and because the amount in controversy exceeds Seventy-Five Thousand Dollars ($75,000.00), exclusive of interest and costs.

12. This Court has supplemental jurisdiction, pursuant to 28 U.S.C. § 1367, because the state claims in this action are so related to the claim in the action within such original jurisdiction that they form part of the same case or controversy.

13. This Court has personal jurisdiction over Defendants under N.Y. C.P.L.R. 302(a) because Defendants transacted business within the State of New York or contracted business anywhere to supply goods or services within the State of New York.

14. This Court has personal jurisdiction over Defendants as the Sales Agreement of Stock Interest in ACS Gear USA Ltd. (the "Agreement") entered into by and between Double D, Starpro Innovation FAC ("Starpro") and Defendants provides, in relevant part, that each party to the Agreement "irrevocably submits to the exclusive jurisdiction of the United States District Court for the Eastern District of New York or any court of the State of New York located in Nassau or

Suffolk County in any action, suit or proceeding arising out of or relating to this Agreement or any of the transactions contemplated hereby, and agrees that any such action, suit or proceeding shall be brought only in such court . . . "

15. Venue is proper under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this District.

16. Venue is proper as the Agreement provides, in relevant part, that "[e]each party hereby irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any [ ] action, suit or proceeding [arising out of or relating to this Agreement or any of the transactions contemplated hereby] brought in [the United States District Court for the Eastern District of New York or any court of the State of New York located in Nassau or Suffolk County] and any claim that any such action, suit or proceeding brought in such court has been brought in an inconvenient forum."

**FACTS COMMON TO ALL CAUSES OF ACTION**

**The Agreement**

17. Double D, Starpro and Defendants entered into an Agreement on or about November 13, 2015.

18. Based upon the terms of the Agreement, the sale of stock interest in ACS was never finalized.

19. The terms of the Agreement provided, in relevant part, that:

A. Double D would sell, and Defendants would purchase, Eighty Percent (80%) of Double D's Fifty Percent (50%) interest in all of the issued and outstanding stock of ACS.

B. Starpro would sell, and Defendants would purchase, One-Hundred Percent (100%) of Starpro's Fifty-Percent (50%) interest in all of the issued and outstanding stock of ACS.

C. The purchase price to be paid for the above Ninety Percent (90%) interest in all of the issued and outstanding stock of ACS was Nine-Hundred Ninety-Five Thousand US Dollars ($995,000.00 USD), of which Three-Hundred Fifty-Seven Thousand US Dollars ($357,000.00 USD) was to be allocated to inventory.

D. The purchase price was to also include customer lists; subject accounts; books and records; all furniture and fixtures; all rights to sell the products as set forth under the license agreement with Adidas within the United States of America and Mexico; all existing inventory; all bank accounts; and all accounts receivable.

E. Payment obligations of Defendants included, inter alia:

i. On or about, November 13, 2015, the sum of Three-Hundred Thousand US Dollars ($300,000.00 USD) to be paid simultaneously with the transfer of ownership to ACS.

ii. On or about February 13, 2016, the sum of Seventy-Five Thousand US Dollars ($75,000.00 USD) each to be paid to Double D and Starpro.

iii. On or about May 13, 2016, the sum of Seventy-Five Thousand US Dollars ($75,000.00 USD) each to be paid to Double D and Starpro.

iv. On or about November 13, 2016, the sum of One-Hundred Forty-Six Thousand Six-Hundred Sixty-Eight US Dollars ($146,668.00 USD) to be paid to Starpro, and Forty-Two Thousand US Dollars ($42,000.00 USD) to be paid to Double D.

v. Commencing on or about August 1, 2016 and continuing on the first day of each month thereafter until on or about March 1, 2017, an additional monthly payment of approximately Twenty-Two Thousand Nine-Hundred Twenty-Six US Dollars ($22,926.00 USD) equaling to the amount to be calculated by the accountant and Defendants, based on reduced invoices to be provided by Double D to ACS to recalculate the Accounts Payable amount owed by ACS to Double D in nine (9) equal monthly installments, which amounts are for the existing inventory, the total of the nine (9) monthly payments equaling approximately Two-Hundred Six-Thousand Three-Hundred Thirty-Two US Dollars ($206,332.00 USD).

vi. Defendants agree to pay Double D and Starpro royalty/commission of Twenty-Two Percent (22%) on the Free on Board ("FOB") purchase price of all Adidas licensed merchandise in approved categories, which will be due and owing from ninety (90) to one-hundred twenty (120) days from when Defendants receive payment for the subject goods based on terms negotiated with Double D and Starpro.

20. The Agreement specifically provides that "the sale will only be final after all payments are made" and "all conditions of this agreement are met."

21. As a result of Defendants' breaches, Double D terminated the agreement for default, by letter dated February 3, 2017.

22. In response to Double D's February 3, 2017 letter, Defendants admitted they were in breach of the agreement, and that they had failed to make hundreds of thousands of dollars due and owing to Double D and Starpro.

23. All payments were not made by Defendants.

24. All conditions were not met by Defendants.

25. Notwithstanding their obligations under the terms of the Agreement, Defendants have failed to meet such obligations and are, thus, in breach of the Agreement.

## **Additional Wrongful Acts by Defendants**

26. Since the signing of the Agreement, on or about November 13, 2015, and the conditional transfer of stock ownership, Defendants have done very little to support, promote and further the business of ACS.

27. In fact, from on or about November 13, 2015, and up to and including the present time, Defendants' actions and/or inactions have damaged, and continue to damage, ACS' reputation, image and business.

28. Further, Defendants have potentially damaged the reputation, image and business of the Adidas brand.

29. Not only have Defendants done very little to support and further the business of ACS, but Defendants have misrepresented their intentions and contradicted themselves on numerous occasions.

30. At the very outset, Defendants misrepresented their intent to invest millions of dollars in ACS, over and above the payments agreed to under the terms of the Agreement, instead investing almost nothing at all.

31. Not only have Defendants neglected to invest in ACS the many millions of dollars promised, but Double D has received information from sparse reporting that it occasionally obtained from the CFO of ACS, Jong Lee, that Cheema, allegedly, may have fraudulently siphoned monies from ACS and transferred those monies into his other businesses.

32. By way of example, upon information and belief, from on or about July 1, 2016 to on or about December 31, 2016, Defendants, deducted taxes from employee wages, as well as worker contributions, and did not thereafter turnover those monies over to the Internal Revenue Service.

33. Upon information and belief, Defendants have converted these trust funds to themselves and possibly other entities owned by them.

34. Upon information and belief, on or about November 1, 2016, employees complained about Defendants to the Department of Labor.

35. Defendants' wrongful conduct also includes not having paid various suppliers of ACS, and having required Double D to make payments and/or exposing Double D to liability on Defendants' behalf.

36. By way of example, Defendants have failed to make the following payments:

A. Payments to Double D for monies advanced by Double D, from on or about December 1, 2015 to November 30, 2016, to factories based upon orders placed by ACS, totaling approximately Two Hundred Thousand US Dollars ($200,000.00 USD).

B. Payments made by Double D to factories for inventory sent to ACS, from on or about December 1, 2015 to November 30, 2016, totaling approximately Three-Hundred Six Thousand US Dollars ($306,000.00 USD).

C. Payments to factories for inventory ordered by Double D at the request of ACS, from on or about December 1, 2015 to November 30, 2016, totaling approximately Three-Hundred Fifty-Eight Thousand Two-Hundred US Dollars ($358,200.00 USD).

37. As a further example of Defendants' poor management and running of ACS, upon information and belief, for almost a year, since on or about February 2016, a shipment from Brother Associates in Pakistan, worth approximately Ten-Thousand US Dollars ($10,000.00 USD) has been held at the airport due to Defendants' failure to pay the necessary freight charges of a few hundred US Dollars to clear it.

38. Upon information and belief, this shipment has, over time, accumulated storage charges worth many times the value of the shipment, with the goods eventually having been handed over to the United States Customs Service ("US Customs") that demanded a nominal fee to destroy the goods, as they cannot auction branded merchandise.

39. Upon information and belief, Defendants have blatantly refused to pay these charges to US Customs, which has now threatened to blacklist ACS. The ramifications of being blacklisted by US Customs are enormous, and have the potential to cause serious harm to ACS, with possible concomitant ramifications for ACS' board members, and could obliterate any future chance for ACS to import goods into the U.S.A.

40. Upon information and belief, since on or about February 2016, up to and including the present time, Defendants have also repeatedly refused on their own behalf to pay, and have repeatedly caused ACS not to pay, U.S.A. suppliers who are a part of Double D's combat gear community and are linked to Double D's business.

41. Upon information and belief, such behavior resulted in a lawsuit having been filed, on or about October 31, 2016, against Adidas America, which created major issues for ACS, and for Double D who had to take the lead to resolve this matter.

42. Additionally, upon information and belief, despite personal assurances by Cheema, from on or about April 2016 up to and including the present time, Defendants have refused on their own behalf to pay, and have caused ACS not to pay, major Pakistani suppliers, who are Double D's largest suppliers.

43. Double D has had to work extraordinarily hard to regain the trust of their largest suppliers.

44. Such failures on the part of Defendants and ACS to pay and to honor their commitments have had, and continue to have, a deleterious effect on ACS' and Double D's image and business.

45. In addition, upon information and belief, Defendants have caused difficulties for Double D with some key opinion leaders in the combat gear community which had the potential to significantly damage Adidas' combat sport's reputation (which is the responsibility of Double D) and its future business, were it not for Double D stepping in to rectify the situations.

46. The worst of these difficulties, on or about August 2016, involved payments allegedly not made by ACS and Cheema to the US National Karate Federation ("USNKF") and

the Resurrection Fighting Alliance – deals that were allegedly negotiated and ratified directly by Cheema and then, contrary to his assurances, not paid by ACS.

47. As a result of this, on or about November 2016, Double D was forced to pay Twenty-Thousand US Dollars ($20,000.00 USD) to the USNKF.

48. Double D's relationship with the USNKF is of paramount importance, as now Karate is an Olympic sport and Defendants' alleged conduct could have damaged Double D's relationship with the International Karate Federation and Double D's effort to officially sponsor Karate at the Olympics.

49. All these difficulties were created as a direct result of the alleged conduct of ACS and that of Cheema, and, as time goes by, Double D may indeed have to address additional situations in which ACS' contract obligations were not fulfilled.

50. Other recent examples of Defendants' poor management and running of ACS, their failure to market and sell goods, and their lack of credibility can be found in emails sent by Cheema.

51. On or about January 20, 2017, Cheema sent an email ("January 20, 2017 email") to Cedric Dermée ("Dermée") of Double D, stating that ACS "can immediately put all items on AMAZON." (emphasis added)

52. Just several days later, on or about January 23, 2017, Cheema sent an email ("January 23, 2017 email") to Dermée stating that "[a]ll [ACS'] product lines will be on AMAZON within 45 days." (emphasis added)

53. The January 20, 2017 email and January 23, 2017 email demonstrate the lack of credibility on the part of Defendants, in that the first email claims that Defendants will put all items on Amazon immediately, and the second email states this will be done within forty-five (45) days.

54. In the January 20, 2017 email, Defendants also admit that they presently have no sales team, stating rather that they "will be inducting a team of sales people." (emphasis added)

55. Defendants had previously represented to Plaintiff that Defendants had a sales team.

56. Upon information and belief, Defendants' lack of a sufficient web presence and lack of a sales team have caused "missed opportunities" for ACS, resulting in millions of dollars of lost profits.

57. Upon information and belief, all of Defendants' actions and/or inactions heretofore set forth have amounted to an inability to conduct ACS in compliance with the Agreement.

**Double D's Demand and Defendants' Refusal to Allow Access to the Books and Records of ACS**

58. Defendants have refused to allow Double D access to the books and records of ACS, notwithstanding Double D's right, as shareholders, to access the books and records, and despite Double D's demands for same.

59. Upon information and belief, Defendants' refusal is an obvious attempt to prevent Double D from ascertaining the extent to which Cheema may have siphoned monies from ACS to other entities owned by him.

60. Not only has access been refused to Double D, but, upon information and belief, access has also been denied, notwithstanding repeated requests, to Board members W. Akhtar and N. Akhtar, and ACS CFO, Jong Lee.

61. Upon information and belief, Cheema is running ACS on his own, to the complete exclusion of the other Board members and ACS' own CFO, Jong Lee.

**Double D's Termination and Cease and Desist Notice to Defendants**

62. As a result of Defendants' failure to make payments and failure to run ACS properly, as set forth above, by letter dated February 3, 2017, Double D served upon Defendants a Notice of Termination ("Termination Notice"), notifying Defendants that Double D is terminating the Agreement for default.

63. In the Termination Notice, Double D further advised Defendants that they are to immediately cease and desist using, and are no longer authorized to use, the name ACS, the Adidas name and/or any Adidas labeled products, or to sell any products as set forth in the Distribution Agreement between Adidas and Double D.

64. The Termination Notice further demanded immediate access to ACS' facilities in order to a complete an inventory of all products and to facilitate the return of the inventory to Double D.

65. It is necessary that ACS comply with all of the above so as not to create any confusion in the marketplace between the unlicensed Adidas goods sold by ACS, and licensed Adidas goods sold in the marketplace by authorized manufacturers and distributors.

66. Double D also advised Defendants that, as they do not own any shares of stock in ACS, they do not have the right to make any stock ownership transfers.

67. Defendants have refused to comply with Double D's demands in the Termination Notice.

68. Any marketing and sales activities by Defendants in the combat gear community will damage Double D and will potentially damage the Adidas brand.

**AS AND FOR A FIRST CAUSE OF ACTION BY DOUBLE D AGAINST ALL DEFENDANTS**
**Breach of Contract**

69. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "68" above, as if same were more fully set forth at length herein.

70. Double D, Starpro and Defendants entered into an Agreement on or about November 13, 2015.

71. Double D has, at all times, performed all its obligations under the terms of the Agreement.

72. Upon information and belief, Starpro has, at all times, performed all its obligations under the terms of the Agreement.

73. Defendants have breached numerous obligations under the terms of the Agreement. by, inter alia, failing to make required payments, royalties and commissions, and otherwise complying with their contractual obligations.

74. In fact, Defendants have admitted that they are in breach of the Agreement.

75. As a result of Defendants' breach of the Agreement, Double D has been damaged, continue to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five Million US Dollars ($5,000,000.00 USD).

**AS AND FOR A SECOND CAUSE OF ACTION BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS, AGAINST ALL DEFENDANTS**
**Breach of Contract**

76. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "75" above, as if same were more fully set forth at length herein.

77. Double D, Starpro and Defendants entered into an Agreement on or about November 13, 2015.

78. Double D has, at all times, performed all its obligations under the terms of the Agreement.

79. Upon information and belief, Starpro has, at all times, performed all its obligation under the terms of the Agreement.

80. Defendants have breached numerous obligations under the terms of the Agreement. by, inter alia, failing to make required payments, royalties and commissions.

81. In fact, Defendants have admitted that they are in breach of the Agreement.

82. As a result of Defendants' breach of the Agreement, ACS has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**AS AND FOR A THIRD CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Violations Under the Lanham Act, 15 U.S.C. § 1125**

83. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "82" above, as if same were more fully set forth at length herein.

84. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) provides, in relevant part, that:

> **(1)** Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--
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> > **(A)** is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
> >
> > **(B)** in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial

> activities shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

85. The Lanham Act 15 U.S.C. § 1116, provides, in relevant part, that:

> The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, … to prevent a violation under subsection (a), (c), or (d) of section 43 [*15 USCS § 1125*].

86. The Lanham Act, 15 U.S.C. § 1117, provides, in relevant part, that:

> (a) Profits; damages and costs; attorney fees. When … a violation under section 43(a) or (d) [*15 USCS § 1125(a)* [ ] shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 32 [*15 USCS §§ 1111*, *1114*], and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction … In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. … The court in exceptional cases may award reasonable attorney fees to the prevailing party.

87. Double D designs and distributes goods consisting of, inter alia, martial arts apparel and equipment for combat sports, Boxing and Taekwondo equipment and apparels under a license agreement with Adidas.

88. The martial arts apparel and equipment for combat sports that are designed and distributed by Double D under a license agreement with Adidas contain words, terms, names and symbols signifying the Adidas brand.

89. The martial arts apparel and equipment for combat sports that are designed and distributed by Double D under a license agreement with Adidas are used in interstate commerce.

90. Any and all licenses granted to Defendants, under the terms of the Agreement, to distribute or otherwise sell or promote in any way Adidas martial arts apparel and equipment for combat sports have been terminated by Double D.

91. These licenses were terminated as a result of Defendants' multiple breaches of the Agreement.

92. Notwithstanding Double D's termination, Defendants continue to sell and market goods that contain words, terms, names and symbols signifying the Adidas brand – goods that are now unlicensed and unauthorized, in violation of subparagraph (a)(1)(A) (Product Infringement) of the Lanham Act.

93. Defendants have made, and continue to make, false or misleading statements, leading potential customers to believe that, when they purchase goods from Defendants, they are purchasing authorized Adidas goods when, in fact, they are purchasing counterfeit goods, in violation of subparagraph (a)(1)(B) (False Advertising) of the Lanham Act.

94. Defendants have made these false or misleading statements in connection with commercial advertising or promotion.

95. Upon information and belief, Defendants' false or misleading statements were made in interstate commerce.

96. Upon information and belief, Defendants' false or misleading statements are material.

97. Upon information and belief, Defendants' false or misleading statements do, or are likely to, cause confusion to potential customers.

98. Any goods sold and marketed by Defendants that bear the Adidas brand contain false designations of origin, and/or false and/or misleading descriptions of fact, and/or false or

misleading representation of fact, in that the goods imply that they are licensed Adidas products when, in fact, they are not, in violation of both subparagraphs (a)(1)(A) (Product Infringement) and (a)(1)(B) (False Advertising) of the Lanham Act.

99. Any goods sold and marketed by Defendants that bear the Adidas brand misrepresent the nature, characteristics, qualities, and/or geographic origin of these goods, by wrongly leading customers to believe that these goods are licensed by Adidas and manufactured under a license agreement with Adidas, in violation of both subparagraphs (a)(1)(A) (Product Infringement) and (a)(1)(B) (False Advertising) of the Lanham Act.

100. Upon information and belief, Defendants continue to sell and market these unlicensed and unauthorized Adidas goods in interstate commerce.

101. Any such sale and marketing of these unlicensed and unauthorized goods by Defendants is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Double D and/or Adidas, in violation of subparagraph (a)(1)(B) (False Advertising) of the Lanham Act.

102. Any such sale and marketing by Defendants of unlicensed and unauthorized goods bearing the Adidas brand causes confusion in the marketplace amongst potential customers because, in purchasing unauthorized goods from Defendants, potential customers will think they are purchasing authorized Adidas goods when, in fact, they are purchasing counterfeit goods, in violation of both subparagraphs (a)(1)(A) (Product Infringement) and (a)(1)(B) (False Advertising) of the Lanham Act.

103. Any such sale and marketing of these unlicensed and unauthorized goods by Defendants is likely to cause confusion as to the origin, sponsorship, or approval of these goods

by Double D or Adidas, in violation of subparagraph (a)(1)(A) (Product Infringement) of the Lanham Act.

104. Defendants' aforementioned acts and misrepresentations, as well as others yet to be discovered, constitute a violation of the Lanham Act, 15 U.S.C. § 1125.

105. Defendants' aforementioned acts and misrepresentations, as well as others yet to be discovered, proximately caused injury to Double D.

106. As a result of the foregoing, Double D has lost significant profits.

107. As a result of the foregoing, Double D has sustained missed opportunities.

108. As a result of the foregoing, in addition to lost profits and missed opportunities, Double D has sustained additional injuries to, inter alia, its reputation in the combat gear community.

109. As a result of the foregoing, Double D has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

110. To the extent money damages are insufficient, Double D may have no adequate remedy at law.

111. As a result of Defendants' violation of the Lanham Act, Double D is entitled to injunctive relief, as well as monetary damages.

112. As a result of Defendants' violation of the Lanham Act, Double D is entitled to treble damages, attorney's fees and full costs.

**AS AND FOR A FOURTH CAUSE OF ACTION BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS, AGAINST ALL DEFENDANTS**
**Violations Under the Lanham Act, 15 U.S.C. § 1125**

113. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "112" above, as if same were more fully set forth at length herein.

114. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) provides, in relevant part, that:

> **(1)** Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--
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> > **(A)** is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
> >
> > **(B)** in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

115. The Lanham Act 15 U.S.C. § 1116, provides, in relevant part, that:

> The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, … to prevent a violation under subsection (a), (c), or (d) of section 43 [*15 USCS § 1125*].

116. The Lanham Act, 15 U.S.C. § 1117, provides, in relevant part, that:

> Profits; damages and costs; attorney fees. When … a violation under section 43(a) or (d) [15 USCS § 1125(a) [ ] shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 32 [15 USCS §§ 1111, 1114], and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction … In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. … The court in exceptional cases may award reasonable attorney fees to the prevailing party.

117. ACS designs and distributes goods consisting of, inter alia, martial arts apparel and equipment for combat sports under Double D's license agreement with Adidas.

118. The martial arts apparel and equipment for combat sports that are designed and distributed by ACS, by virtue of Double D's license agreement with Adidas, contain words, terms, names and symbols signifying the Adidas brand.

119. The martial arts apparel and equipment for combat sports that are designed and distributed by ACS, by virtue of Double D's license agreement with Adidas, are used in interstate commerce.

120. Any and all licenses granted to Defendants, under the terms of the Agreement, to design, distribute, or otherwise sell or promote in any way Adidas martial arts apparel and equipment for combat sports have been terminated by Double D.

121. These licenses were terminated as a result of Defendants' multiple breaches of the Agreement.

122. Notwithstanding Double D's termination, Defendants continue to sell and market goods that contain words, terms, names and symbols signifying the Adidas brand – goods that are

now unlicensed and unauthorized, in violation of subparagraph (a)(1)(A) (Product Infringement) of the Lanham Act.

123. Defendants have made, and continue to make, false or misleading statements, leading potential customers to believe that, when they purchase goods from Defendants, they are purchasing authorized Adidas goods when, in fact, they are purchasing counterfeit goods, in violation of subparagraph (a)(1)(B) (False Advertising) of the Lanham Act.

124. Defendants have made these false or misleading statements in connection with commercial advertising or promotion.

125. Upon information and belief, Defendants' false or misleading statements were made in interstate commerce.

126. Upon information and belief, Defendants' false or misleading statements are material.

127. Upon information and belief, Defendants' false or misleading statements do, or are likely to, cause confusion to potential customers.

128. Any goods sold and marketed by Defendants that bear the Adidas brand contain false designations of origin, and/or false and/or misleading descriptions of fact, and/or false or misleading representation of fact, in that the goods imply that they are licensed Adidas products when, in fact, they are not, in violation of both subparagraphs (a)(1)(A) (Product Infringement) and (a)(1)(B) (False Advertising) of the Lanham Act.

129. Any goods sold and marketed by Defendants that bear the Adidas brand misrepresent the nature, characteristics, qualities, and/or geographic origin of these goods, by wrongly leading customers to believe that these goods are licensed by Adidas and manufactured

under a license agreement with Adidas, in violation of both subparagraphs (a)(1)(A) (Product Infringement) and (a)(1)(B) (False Advertising) of the Lanham Act.

130. Upon information and belief, Defendants continue to sell and market these unlicensed and unauthorized Adidas goods in interstate commerce.

131. Any such sale and marketing of these unlicensed and unauthorized goods by Defendants is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with ACS, Double D and/or Adidas, in violation of subparagraph (a)(1)(B) (False Advertising) of the Lanham Act.

132. Any such sale and marketing by Defendants of unlicensed and unauthorized goods bearing the Adidas brand causes confusion in the marketplace amongst potential customers because, in purchasing unauthorized goods from Defendants, potential customers will think they are purchasing authorized Adidas goods when, in fact, they are purchasing counterfeit goods, in violation of both subparagraphs (a)(1)(A) (Product Infringement) and (a)(1)(B) (False Advertising) of the Lanham Act.

133. Any such sale and marketing of these unlicensed and unauthorized goods by Defendants is likely to cause confusion as to the origin, sponsorship, or approval of these goods by ACS, Double D or Adidas, in violation of subparagraph (a)(1)(A) (Product Infringement) of the Lanham Act.

134. Defendants' aforementioned acts and misrepresentations, as well as others yet to be discovered, constitute a violation of the Lanham Act, 15 U.S.C. § 1125.

135. Defendants' aforementioned acts and misrepresentations, as well as others yet to be discovered, proximately caused injury to ACS.

136. As a result of the foregoing ACS has lost significant profits.

137. As a result of the foregoing, ACS has sustained missed opportunities.

138. As a result of the foregoing, in addition to lost profits and missed opportunities, ACS has sustained additional injuries to, inter alia, their reputation in the combat gear community.

139. As a result of the foregoing, ACS has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

140. To the extent money damages are insufficient, ACS may have no adequate remedy at law.

141. As a result of Defendants' violation of the Lanham Act, ACS is entitled to injunctive relief, as well as monetary damages.

142. As a result of Defendants' violation of the Lanham Act, ACS is entitled to treble damages, attorney's fees and full costs.

**AS AND FOR A FIFTH CAUSE OF ACTION BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS, AGAINST ALL DEFENDANTS**

**Replevin**

143. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "142" above, as if same were more fully set forth at length herein.

144. The terms of the Agreement provide that "the sale will only be final after all the payments are made as per attached schedule of payments and all conditions of this agreement are met."

145. Defendants have breached their payment obligations under the terms of the Agreement so the sale of stock interest in ACS was never completed and, as a result, Double D terminated the Agreement for breach.

146. As a result of Defendants' multiple breaches, any transfer of stock ownership in ACS by Double D and Starpro to Defendants is null and void.

147. As a result of Defendants' multiple breaches, any transfer of ACS' assets, including, but not limited to: customer lists; subject accounts; books and records; furniture and fixtures; rights to sell the products as set forth under the license agreement with Adidas within the United States of America and Mexico; existing inventory; bank accounts; and accounts receivable ownership by Double D and Starpro to Defendants is null and void.

148. Double D and Starpro are the rightful owners of, and are entitled to possession of, Ninety Percent (90%) of the shares of stock in ACS.

149. Double D and Starpro are the rightful owners of, and are entitled to possession of, all customer lists; subject accounts; books and records; furniture and fixtures; rights to sell the products as set forth under the license agreement with Adidas within the United States of America and Mexico; existing inventory; bank accounts; and accounts receivable of ACS.

150. Double D has demanded the return of the all shares of stock in ACS and Defendants have refused.

151. Double D has demanded the return of the all chattels belonging to ACS and Defendants have refused.

152. Double D's and Starpro's property is being held by Defendants against Double D's claim of right to possession.

153. Upon information and belief, Double D's and Starpro's property is located at Defendants' business address, Defendants' personal addresses or otherwise within Defendants' possession, custody, and/or control.

154. Defendants obtained and detained Double D's and Starpro's property by means described throughout this Verified Complaint, as set forth above, among others yet to be discovered.

155. Double D's and Starpro's property is of a value presently unknown at this time, but in excess of Five-Million US Dollars ($5,000,000.00 USD), with the precise amount to be determined at trial.

156. Double D's and Starpro's property has not been taken for a tax assessment or fine pursuant to a statute, or seized under an execution against the property of Double D and Starpro.

157. As a result of the foregoing, Double D has been damaged, and will continue to be damaged, in an amount to be proven at trial.

158. As a result of the foregoing, Double D and Starpro are entitled to the return of Ninety Percent (90%) of the shares of stock in ACS; all assets of ACS including, but not limited to: customer lists; subject accounts; books and records; all furniture and fixtures; all rights to sell the products as set forth under the license agreement with Adidas within the United States of America and Mexico; all existing inventory; all bank accounts; and all accounts receivable.

**AS AND FOR A SIXTH CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Unjust Enrichment**

159. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "158" above, as if same were more fully set forth at length herein..

160. Defendants, through their use, receipt and enjoyment of the rewards of selling and/or distributing martial arts apparel and equipment for combat sports that bear the Adidas name, have conferred benefits on themselves at Double D's expense.

161. Defendants, through their use, receipt and enjoyment of the rewards of Ninety Percent (90%) interest in all of the issued and outstanding stock of ACS have conferred benefits on themselves at Double D's expense.

162. Defendants received these benefits.

163. As a result of Defendants' actions, Defendants have been unjustly enriched at the expense of Double D in as much as Defendants have obtained money and other benefits.

164. It is unjust for Defendants to retain the benefits from their actions without paying the value thereof. The benefits include any income received by Defendants in connection with their selling and/or distributing martial arts apparel and equipment for combat sports that bear the Adidas name, and any benefits gained by a Ninety Percent (90%) interest in all of the issued and outstanding stock of ACS.

165. As a result of the foregoing, Double D has been damaged, continues to be damaged, and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**AS AND FOR A SEVENTH CAUSE OF ACTION**
**BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS, AGAINST ALL DEFENDANTS**
**Unjust Enrichment**

166. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "165" above, as if same were more fully set forth at length herein.

167. Defendants, through their use, receipt and enjoyment of the rewards of selling and/or distributing martial arts apparel and equipment for combat sports that bear the Adidas name, have conferred benefits on themselves at ACS' expense.

168. Defendants, through their use, receipt and enjoyment of the rewards of a Ninety Percent (90%) interest in all of the issued and outstanding stock of ACS, have conferred benefits on themselves at ACS' expense.

169. Defendants received these benefits.

170. As a result of Defendants' actions, Defendants have been unjustly enriched at the expense of ACS in as much as Defendants have obtained money and other benefits.

171. It is unjust for Defendants to retain the benefits from their actions without paying the value thereof. The benefits include any income received by Defendants in connection with their selling and/or distributing martial arts apparel and equipment for combat sports that bear the Adidas name, and any benefits gained by a Ninety Percent (90%) interest in all of the issued and outstanding stock of ACS.

172. As a result of the foregoing, ACS has been damaged, continues to be damaged, and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**AS AND FOR AN EIGHTH CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Accounting**

173. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "172" above, as if same were more fully set forth at length herein.

174. Defendants owe a fiduciary duty to Double D by virtue of the fact that Defendants are officers and directors of ACS.

175. Defendants also owe Double D a fiduciary duty as they are the conditional owners of the majority shares of ACS, and by virtue of the fact that they have complete dominion and control over ACS and its books, records, and financial affairs.

176. Defendants were, and still are, in complete dominion and control of the financial records evidencing and relating to ACS' financial affairs and assets.

177. Upon information and belief, Cheema may have fraudulently siphoned monies from ACS and transferred those monies into his other businesses.

178. As a result of the foregoing, Defendants have a duty to account for all monies received and spent by ACS, as well as monies which may have been wrongfully received and/or diverted from ACS.

179. At various times, Double D has demanded access to the books and records maintained, or that should have been maintained, by ACS relating to the foregoing.

180. At various times, Double D has demanded an accounting.

181. Defendants have denied Double D access to ACS's books and records.

182. Defendants have denied Double D's request for an accounting.

183. Double D has no adequate remedy at law.

184. As a result of the foregoing, Double D has been damaged, continues to be damaged, and demands a full and formal accounting from Defendants to determine the amount of monies owed to Double D.

**AS AND FOR A NINTH CAUSE OF ACTION**
**B BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS, AGAINST ALL DEFENDANTS**
**Accounting**

185. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "184" above, as if same were more fully set forth at length herein.

186. Defendants owe a fiduciary duty to ACS by virtue of the fact that Defendants are officers and directors of ACS.

187. Defendants also owe ACS a fiduciary duty as they are the conditional owners of the majority shares of ACS, and by virtue of the fact that they have complete dominion and control over ACS and its books, records, and financial affairs.

188. Defendants were, and still are, in complete dominion and control of the financial records evidencing and relating to ACS' financial affairs and assets.

189. Upon information and belief, Cheema may have fraudulently siphoned monies from ACS and transferred those monies into his other businesses.

190. As a result of the foregoing, Defendants have a duty to account for all monies received and spent by ACS, as well as monies which may have been wrongfully received and/or diverted from ACS.

191. At various times, ACS has, through Double D, demanded access to the books and records maintained, or that should have been maintained, by ACS relating to the foregoing records.

192. At various times, ACS has, through Double D, demanded an accounting.

193. Defendants have denied ACS and/or Double D access to ACS' books and records.

194. Defendants have denied ACS and/or Double D's request for an accounting.

195. ACS has no adequate remedy at law.

196. As a result of the foregoing, ACS has been damaged, continues to be damaged, and demands a full and formal accounting of ACS to determine the amount of monies owed to ACS.

**AS AND FOR A TENTH CAUSE OF ACTION**
**BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS**
**AGAINST ALL DEFENDANTS**
**Breach of Fiduciary Duty**

197. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "196" above, as if same were more fully set forth at length herein.

198. Defendants owe a fiduciary duty to ACS by virtue of the fact that they are officers and directors of ACS

199. Defendants also owe ACS a fiduciary duty as they are the conditional owners of the majority shares of ACS, and by virtue of the fact that they have complete dominion and control over ACS and its books, records, and financial affairs.

200. As a result of the foregoing, Defendants have a duty to account for monies which may have been wrongfully received and/or diverted.

201. As a result of the foregoing, Defendants have a duty to refrain from diverting any assets from ACS, from competing with ACS in an attempt to gain business for themselves or their other entities, and from trading off of the goodwill of ACS.

202. Defendants failed to exercise the required degree of care and failed to perform their duties in good faith, and upon information and belief, engaged in, and continue to engage in diversion of asset from ACS.

203. As a result of Defendants' breach of fiduciary duty to ACS, the business of ACS has suffered tremendous damage and loss.

204. The aforementioned acts by Defendants, as well as other acts to be uncovered, constitute a breach of the fiduciary duty owed by Defendants to ACS.

205. As a result of the foregoing, ACS has been damaged, continues to be damaged, and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**AS AND FOR AN ELEVENTH CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Conversion**

206. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "205" above, as if same were more fully set forth at length herein.

207. Defendants had conditional ownership and conditional possession of Double D's and Starpro's property, to wit: Ninety Percent (90%) of all shares of stock in ACS; and ACS' customer lists; subject accounts; books and records; all furniture and fixtures; all rights to sell the products as set forth under the license agreement within the United States of America and Mexico with Adidas; all existing inventory; all bank accounts.

208. The terms of the Agreement provide that "the sale will only be final after all the payments are made as per attached schedule of payments and all conditions of this agreement are met."

209. Defendants have breached their payment obligations under the terms of the Agreement so the sale of stock interest in ACS was never completed and, as a result, Double D terminated the Agreement for breach.

210. As a result of Defendants' multiple breaches, any transfer of stock ownership in ACS by Double D and Starpro to Defendants is null and void.

211. Defendants have exercised dominion and/or ownership over said property through their actions described above, in addition to other acts yet to be discovered, and have possession of said property.

212. Defendants' exercise of dominion and control over said property is wrongful.

213. Defendants are not authorized to exercise such dominion and control over said property.

214. To date, Defendants have failed to return said property to Double D and Starpro.

215. Double D and Starpro are entitled to the return of all property in the possession of Defendants or other third parties to whom Defendants have given Double D's and Starpro's property.

216. The alleged aforementioned acts of Defendants evidence such a high degree of moral culpability as to be the equivalent of a criminal indifference to their civil obligations, and not merely an isolated incident; as such, they subject them to punitive damages.

217. As a result of Defendant's conversion of Double D's and Starpro's property, Double D has been damaged, continues to be damaged and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD) and further demands punitive damages in the greater of the amount of Six-Million US Dollars ($6,000,000.00 USD) or One Hundred Twenty Five Percent (125%) of each dollar of profit earned by Defendants as a result of their actions.

**AS AND FOR A TWELFTH CAUSE OF ACTION**
**BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS**
**AGAINST ALL DEFENDANTS**
**Conversion**

218. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "217" above, as if same were more fully set forth at length herein.

219. Defendants had conditional ownership and conditional possession of ACS property, to wit: Ninety Percent (90%) of all shares of stock in ACS; and ACS' customer lists; subject accounts; books and records; all furniture and fixtures; all rights to sell the products as set forth under the license agreement within the United States of America and Mexico with Adidas; all existing inventory; all bank accounts.

220. The terms of the Agreement provide that "the sale will only be final after all the payments are made as per attached schedule of payments and all conditions of this agreement are met."

221. Defendants have breached their payment obligations under the terms of the Agreement so the sale of stock interest in ACS was never completed and, as a result, Double D terminated the Agreement for breach.

222. As a result of Defendants' multiple breaches, any transfer of stock ownership in ACS by Double D and Starpro to Defendants is null and void.

223. Defendants have exercised dominion and/or ownership over said property through their actions described above, in addition to other acts yet to be discovered, and have possession of said property.

224. Defendants' exercise of dominion and control over said property is wrongful.

225. Defendants are not authorized to exercise such dominion and control over said property.

226. To date, Defendants have failed to return said property to ACS.

227. ACS is entitled to the return of all property in the possession of Defendants or other third parties to whom Defendants have given ACS' property.

228. The alleged aforementioned acts of Defendants evidence such a high degree of moral culpability as to be the equivalent of a criminal indifference to their civil obligations, and not merely an isolated incident; as such, they subject them to punitive damages.

229. As a result of Defendants' conversion of ACS' property, ACS has been damaged, continues to be damaged and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars

($5,000,000.00 USD) and further demands punitive damages in the greater of the amount of Six-Million US Dollars ($6,000,000.00 USD) or One-Hundred Twenty-Five Percent (125%) of each dollar of profit earned by Defendants as a result of their actions.

**AS AND FOR A THIRTEENTH CAUSE OF ACTION**
**BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS**
**AGAINST ALL DEFENDANTS**
**Diversion of Corporate Opportunities**

230. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "229" above, as if same were more fully set forth at length herein.

231. Defendants were, and still are, in control of ACS.

232. Upon information and belief, Defendants have, without the consent of ACS diverted and exploited for their own benefit corporate opportunities that belonged to ACS.

233. ACS had a lawful interest and/or tangible expectancy in said business opportunities.

234. The aforementioned acts of Defendants, as well as other acts yet to be uncovered, constitute a diversion of corporate opportunities.

235. The alleged aforementioned acts of Defendants evidence such a high degree of moral culpability as to be the equivalent of a criminal indifference to their civil obligations, and not merely an isolated incident; as such, they subject them to punitive damages.

236. As a result of the foregoing, ACS has been damaged, continues to be damaged and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD) and further demands punitive damages in the greater of the amount of Six-Million US Dollars ($6,000,000.00 USD) or One-Hundred Twenty-Five Percent (125%) of each dollar of profit earned by Defendants as a result of their actions.

237. As a result of the foregoing, Double D has no adequate remedy at law and the imposition of a constructive trust on all of ACS' assets is necessary because, upon information and belief, assets and corporate opportunities have already been fraudulently transferred by Defendants and will continue to be fraudulently transferred by Defendants.

**AS AND FOR A FOURTEENTH CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Appointment of a Temporary and Permanent Receiver**

238. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "237" above, as if same were more fully set forth at length herein.

239. For the reasons stated herein, Defendants' conduct presents a danger that Double D's property will, or will continue to be, removed from the state, or lost, materially injured or destroyed. or improperly conveyed, if ACS' assets and liabilities are not entrusted to a receiver during the pendency of this action.

240. Upon information and belief, in addition to the foregoing reasons stated herein, there is additional information solely within the exclusive custody and control of Defendants which show that there is a danger that Double D's property will, or will continue to be, removed from the state, or lost, materially injured or destroyed, or improperly conveyed, if ACS' assets and liabilities are not entrusted to a receiver during the pendency of this action.

241. Until final relief is granted, Double D requests that a permanent and temporary receiver be appointed for ACS, and for any entities to which ACS has transferred assets.

**AS AND FOR A FIFTEENTH CAUSE OF ACTION**
**BY DOUBLE D, DERIVATIVELY AS A MEMBER OF AND ON BEHALF OF ACS**
**AGAINST ALL DEFENDANTS**
**Appointment of a Temporary and Permanent Receiver**

242. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "241" above, as if same were more fully set forth at length herein.

243. For the reasons stated herein, Defendants' conduct presents a danger that ACS' property will, or will continue to be, removed from the state, or lost, materially injured or destroyed. or improperly conveyed, if ACS' assets and liabilities are not entrusted to a receiver during the pendency of this action.

244. Upon information and belief, in addition to the foregoing reasons stated herein, there is additional information solely within the exclusive custody and control of Defendants which show that there is a danger that ACS' property will, or will continue to be, removed from the state, or lost, materially injured or destroy.

245. Until final relief is granted, ACS requests that a permanent and temporary receiver be appointed for ACS, and for any entities to which ACS has transferred assets.

**AS AND FOR A SIXTEENTH CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Breach of Oral Contract**

246. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "245" above, as if same were more fully set forth at length herein.

247. From on or about December 1, 2015 through on or about November 30, 2016, Double D advanced monies to factories based upon orders placed by ACS, totaling approximately Two Hundred Thousand US Dollars ($200,000.00 USD).

248. From on or about December 1, 2015 through on or about November 30, 2016, Double D advanced monies to factories for inventory sent to ACS, totaling approximately Three-Hundred Six Thousand US Dollars ($306,000.00 USD).

249. From on or about December 1, 2015 through on or about November 30, 2016, Double D advanced monies to factories to pay for inventory ordered by Double D at the request

of ACS and/or otherwise are exposed to liability by Defendants' actions, totaling approximately Three-Hundred Fifty-Eight Thousand Two-Hundred US Dollars ($358,200.00 USD).

250. Double D orally agreed to advance these monies with the understanding that within one (1) year Defendants would pay the monies advanced back to Double D.

251. Defendants orally agreed that within one (1) year they would pay back Double D for the monies advanced.

252. Double D has performed all its obligations under the terms of the oral agreement.

253. Defendants have breached the terms of the oral agreement.

254. As a result of Defendants' breach of the oral agreement, Double D has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Eight-Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD).

**AS AND FOR A SEVENTEENTH CAUSE OF ACTION**
**BY DOUBLE D AGAINST ALL DEFENDANTS**
**Unjust Enrichment**

255. Plaintiffs repeat, reiterate, and reallege each and every allegation contained in paragraphs "1" through "254" above, as if same were more fully set forth at length herein.

256. Defendants, through their use, receipt and enjoyment of the rewards of the factory orders placed by or at the request of ACS, and paid for by Double D or otherwise exposing Double D to liability by Defendants' actions, totaling Eight-Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD), have conferred benefits on themselves at Double D's expense.

257. Defendants, through their use, receipt and enjoyment of the rewards of the factory orders placed by or at the request of ACS, and/or received by ACS, and paid for by Double D,

totaling approximately Eight-Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD), have conferred benefits on themselves at Double D's expense.

258. Defendants received and appreciated these benefits.

259. As a result of Defendants' actions, Defendants have been unjustly enriched at the expense of Double D in as much as Defendants have obtained money and other benefits.

260. It is unjust for Defendants to retain the benefits from their actions without paying the value thereof. The benefits include any profits earned by Defendants in connection with their selling and/or distributing of the goods they received and /or ordered and/or requested Double D to order from the factories on behalf of ACS that were paid for by Double D, totaling approximately Eight-Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD).

261. As a result of the foregoing, Double D has been damaged, and will continue to be damaged, in an amount to be proven at trial, but believed to be in excess of Eight-Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD).

**WHEREFORE**, Plaintiffs demand judgment against Defendants as follows:

**As and for the First Cause of Action**, Double D has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**As and for the Second Cause of Action**, ACS has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**As and for the Third Cause of Action**, Double D has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD). Double D is also entitled to injunctive relief, treble damages, attorney's fees and full costs.

**As and for the Fourth Cause of Action**, ACS has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD). Double D is also entitled to injunctive relief, treble damages, attorney's fees and full costs.

**As and for the Fifth Cause of Action**, Double D has been damaged, and will continue to be damaged, in an amount to be proven at trial. Double D and Starpro are entitled to the return of Ninety Percent (90%) of the shares of stock in ACS; all assets of ACS including, but not limited to: customer lists; subject accounts; books and records; all furniture and fixtures; all rights to sell the products as set forth under the license agreement with Adidas within the United States of America and Mexico; all existing inventory; all bank accounts; and all accounts receivable.

**As and for the Sixth Cause of Action**, Double D has been damaged, continues to be damaged, and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**As and for the Seventh Cause of Action**, ACS has been damaged, continues to be damaged, and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**As and for the Eighth Cause of Action**, Double D has been damaged, continues to be damaged, and demands a full and formal accounting from Defendants to determine the amount of monies owed to them.

**As and for the Ninth Cause of Action**, ACS has been damaged, continues to be damaged, and demands a full and formal accounting of ACS to determine the amount of monies owed to ACS.

**As and for the Tenth Cause of Action**, ACS has been damaged, continues to be damaged, and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD).

**As and for the Eleventh Cause of Action**, Double D has been damaged, continues to be damages and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD) and further demands punitive damages in the greater of the amount of Six-Million US Dollars ($6,000,000.00 USD) or One Hundred Twenty Five Percent (125%) of each dollar of profit earned by Defendants as a result of their actions.

**As and for the Twelfth Cause of Action**, ACS has been damaged, continues to be damaged and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD) and further demands punitive damages in the greater of the amount of Six-Million US Dollars ($6,000,000.00 USD) or One Hundred Twenty Five Percent (125%) of each dollar of profit earned by Defendants as a result of their actions.

**As and for the Thirteenth Cause of Action**, ACS has been damaged, continues to be damaged and demands judgment against Defendants in an amount to be determined by the Court upon the trial of this action, but believed to be in excess of Five-Million US Dollars ($5,000,000.00 USD) and further demands punitive damages in the greater of the amount of Six-Million US Dollars ($6,000,000.00 USD) or One Hundred Twenty Five Percent (125%) of each dollar of profit earned by Defendants as a result of their actions. ACS also requests the imposition of a constructive trust on all of ACS' assets is necessary.

**As and for the Fourteenth Cause of Action**, Double D requests that a permanent and temporary receiver be appointed for ACS, and for any entities to which ACS has transferred assets.

**As and for the Fifteenth Cause of Action**, ACS requests that a permanent and temporary receiver be appointed for ACS, and for any entities to which ACS has transferred assets.

**As and for the Sixteenth Cause of Action**, Double D has been damaged, continues to be damaged and demands judgment in an amount unknown at this time, but believed to be in excess of Eight Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD).

**As and for the Seventeenth Cause of Action,** Double D has been damaged and will continue to be damaged, in an amount to be proven at trial, but believed to be in excess of Eight Hundred Sixty-Four Thousand Two-Hundred US Dollars ($864,200.00 USD).

Together with interest, attorney's fees, and the costs and disbursements of this action, and such other further or different relief to Plaintiffs as this Court deems just, equitable and proper.

## JURY DEMAND

Plaintiffs request a jury trial of all issues so triable.

Dated: Mineola, New York
March 13, 2017

**LEVITT LLP**

By: ______________________________

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Naveed Akhtar
60/1 Tufail Road
Sialkot Cantt, Pakistan

ACS Gear USA Ltd.
3800 West Oceanside Road
Oceanside New York 11572

**CORPORATE VERIFICATION**

STATE OF NEW YORK )
) ss.:
COUNTY OF NASSAU )

AAMER NASEER, being duly sworn, deposes and says:

I am an Authorized Representative of DOUBLE D-IMPORT SAS ("Double D"), Plaintiffs named in the within entitled action; I have read the annexed VERIFIED COMPLAINT and know the contents thereof, and upon information and belief, the same are true.

Deponent further states that the reason this verification is made by deponent and not by Plaintiff Double D is because said Plaintiff is a foreign corporation and deponent has been authorized by Plaintiff Double D to execute this verification.

AAMER NASEER

Sworn to before me this
13th day of March, 2017

Notary Public

Debra A. DePietro
Notary Public, State of New York
No. 01DE6003903
Qualified in Nassau County
Commission Expires Aug. 16, 2018